

AMENDED IN SENATE JULY 3, 2007
AMENDED IN ASSEMBLY JUNE 1, 2007
AMENDED IN ASSEMBLY APRIL 24, 2007
AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 995

**Introduced by Assembly Member Nava
(Coauthor: Assembly Member Galgiani)**

February 22, 2007

~~An act to add Sections 8879.38, 8879.39, and 8879.40 to the Government Code, relating to transportation. An act to add Section 8879.24 to the Government Code, and to add Chapter 3.2 (commencing with Section 39625) to Part 2 of Division 26 of the Health and Safety Code, relating to air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 995, as amended, Nava. ~~California Ports Infrastructure, Security, and Air Quality Improvement Account. Goods Movement Emission Reduction Program.~~

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in the November 2006 general election, establishes the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 in the State Treasury. Existing law requires specified moneys in the fund to be deposited in the California Ports Infrastructure, Security, and Air Quality Improvement Account to be available upon appropriation by the Legislature, for certain purposes. The act requires \$1,000,000,000

from the account to be made available to the State Air Resources Board for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors. The act requires \$2,000,000,000 to be transferred to the Trade Corridors Improvement Fund for infrastructure improvements along designated trade corridors.

This bill would provide that projects eligible for funding from the Trade Corridors Improvement Fund would receive priority if they meet specified requirements. The bill would require the California Transportation Commission to coordinate with the board for technical assistance in evaluating project applications.

The bill would require the state board, upon appropriation, to allocate these funds, meeting specified criteria and requirements. The state board would be required to create guidelines for the allocation of these funds. The state board would be required to compile and release a preliminary list of all projects that the state board is considering for funding, and after specified public hearings, to adopt a final list of projects that will receive funding. The state board would be required to submit an annual report to the Legislature summarizing its activities related to the administration of these requirements.

~~Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in the November 2006 general election, establishes the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 in the State Treasury. Specified moneys in the fund are required to be deposited in various accounts to be available upon appropriation by the Legislature, for certain purposes.~~

~~This bill would require projects funded from proceeds of bonds issued under the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to meet specified requirements. The bill would require projects that have the highest benefits compared to cost be given priority for funding from bond proceeds, except in certain circumstances. The bill would also require the California Transportation Commission to report to the Legislature on the administration of programs under the bond act.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) The Highway Safety, Traffic Reduction, Air Quality, and*
4 *Port Security Bond Act of 2006 authorizes three billion one*
5 *hundred million dollars (\$3,100,000,000) to be deposited in the*
6 *California Ports Infrastructure, Security, and Air Quality*
7 *Improvement Account. The money in the account is available, upon*
8 *appropriation by the Legislature, and subject to the conditions*
9 *and criteria as the Legislature may provide by statute, as follows:*

10 *(1) Two billion dollars (\$2,000,000,000) transferred to the*
11 *Trade Corridors Improvement Fund for infrastructure*
12 *improvements along federally designated “Trade Corridors of*
13 *National Significance” in the state or along other corridors within*
14 *the state that have a high volume of freight movement.*

15 *(2) One billion dollars (\$1,000,000,000) to the State Air*
16 *Resources Board for emission reductions, not otherwise required*
17 *by law or regulation, from activities related to freight along*
18 *California’s trade corridors.*

19 *(b) It is the intent of the Legislature to ensure that goods*
20 *movement infrastructure projects, public health and environmental*
21 *mitigation efforts, and community impact mitigation actions be*
22 *implemented in an integrated manner.*

23 *SEC. 2. Section 8879.24 is added to the Government Code, to*
24 *read:*

25 *8879.24. (a) A project eligible for funds pursuant to*
26 *subparagraph (A) of paragraph (1) of subdivision (c) of Section*
27 *8879.23 shall receive funding priority if the project accomplishes*
28 *all of the following in the trade corridor where the project is*
29 *located:*

30 *(1) Enhances system efficiency and predictability.*

31 *(2) Significantly improves regional mobility and safety,*
32 *especially in heavily congested areas.*

33 *(3) Significantly reduces diesel particulate emissions and oxides*
34 *of nitrogen in the trade corridor where the project is located,*
35 *particularly in communities disproportionately impacted by goods*
36 *movement.*

37 *(b) The California Transportation Commission shall coordinate*
38 *with the State Air Resources Board for technical assistance in*

1 *evaluating project applications for review of emission reduction*
2 *data and air quality benefits.*

3 *SEC. 3. Chapter 3.2 (commencing with Section 39625) is added*
4 *to Part 2 of Division 26 of the Health and Safety Code, to read:*

5
6 *CHAPTER 3.2. GOODS MOVEMENT EMISSION REDUCTION*
7 *PROGRAM*

8
9 *39625. For the purposes of this chapter, the following terms*
10 *have the following meanings:*

11 *(a) "Applicant" means any local public entity involved in the*
12 *movement of freight through trade corridors of the state or involved*
13 *in air quality improvements associated with goods movement.*

14 *(b) "Emission" or "emissions" means emissions of diesel*
15 *particulate matter, oxides of nitrogen, oxides of sulfur, and reactive*
16 *organic gases.*

17 *(c) "Emission sources" means sources releasing emissions,*
18 *including, heavy-duty trucks, locomotives, commercial harbor*
19 *craft, ocean-going vessels related to freight, and cargo-handling*
20 *equipment.*

21 *(d) "Goods movement facility" means airports, seaports, land*
22 *ports of entry, freight distribution warehouses and logistic centers,*
23 *freight rail systems, and highways that have a high volume of truck*
24 *traffic related to the movement of goods, as determined by the state*
25 *board.*

26 *(e) "Trade corridors" means any of the following areas: the*
27 *Los Angeles/Inland Empire, the Central Valley, the San Francisco*
28 *Bay area, and San Diego and the United States-Mexico border*
29 *region.*

30 *39625.5. (a) (1) Upon appropriation by the Legislature from*
31 *the funds made available by paragraph (2) of subdivision (c) of*
32 *Section 8879.23 of the Government Code, the state board shall*
33 *allocate funds on a competitive basis for projects that are shown*
34 *to achieve the greatest emission reductions, not otherwise required*
35 *by law or regulation, or by an agreement entered into with a state*
36 *or federal agency, from activities related to the movement of freight*
37 *along California's trade corridors, commencing at the state's*
38 *airports, seaports, and land ports of entry.*

39 *(2) Projects eligible for funding pursuant to paragraph (1) shall*
40 *include, but are not limited to, the following:*

1 (A) *The replacement, repower, or retrofit of heavy-duty diesel*
2 *trucks.*

3 (B) *The replacement, repower, or retrofit of diesel locomotive*
4 *engines, including switching engines.*

5 (C) *The replacement, repower, or retrofit of harbor craft that*
6 *operates at the state's seaports.*

7 (D) *The provision of on-shore electrical power for ocean freight*
8 *carriers calling at the state's seaports to reduce the use of auxiliary*
9 *and main engine ship power.*

10 (E) *Mobile or portable shoreside distributed power generation*
11 *projects that eliminate the need to use the electricity grid.*

12 (F) *The replacement, repower, or retrofit of cargo handling*
13 *equipment that operates at the state's seaports.*

14 (b) (1) *The state board shall allocate funds in a manner that*
15 *gives priority to projects that reduce emissions in a manner that*
16 *achieves the earliest possible health risk reduction in communities*
17 *adjacent to goods movement facilities.*

18 (2) *In evaluating which projects to fund, the state board shall*
19 *at a minimum consider all of the following criteria:*

20 (A) *The magnitude of the emission reduction.*

21 (B) *The public health benefits of the emission reduction.*

22 (C) *The cost effectiveness and sustainability of the emissions*
23 *reductions.*

24 (D) *The severity and magnitude of the source's contributions*
25 *to emissions.*

26 (E) *Regulatory and State Implementation Plan requirements,*
27 *and the degree of surplus emissions to be reduced.*

28 (F) *The reduction in greenhouse gases, consistent with and*
29 *supportive of emission reduction goals.*

30 (G) *The extent to which advanced emission reduction*
31 *technologies are to be used.*

32 (H) *The degree of leveraging of funds.*

33 (c) *The state board shall ensure that state bond funds are*
34 *supplemented and matched with funds from federal, local, and*
35 *private sources to the maximum extent feasible.*

36 39626. (a) (1) *The state board shall develop guidelines by*
37 *March 31, 2008, consistent with the requirements of this chapter,*
38 *to implement Section 39625.5, in consultation with stakeholders,*
39 *including, but not limited to, local air quality management and*
40 *air pollution control districts, metropolitan planning organizations,*

1 port authorities, shipping lines, railroad companies, trucking
2 companies, harbor craft owners, freight distributors, terminal
3 operators, local port community advisory groups, community
4 interest groups, and airports. The guidelines shall, at a minimum,
5 include an application process for the funds, a requirement that
6 an applicant contribute a specified percentage of nonstate funds
7 toward the project, and project selection criteria.

8 (2) Prior to the adoption of the guidelines, the state board shall
9 hold no less than one public hearing in northern California, one
10 public hearing in the central valley, and one public hearing in
11 southern California.

12 (b) (1) After applications have been submitted and reviewed
13 for consistency with the requirements of this chapter and the
14 Highway Safety, Traffic Reduction, Air Quality, and Port Security
15 Bond Act of 2006, the state board shall compile and release to the
16 public a preliminary list of all projects that the state board is
17 considering for funding. The state board shall hold no less than
18 one public hearing in northern California, one public hearing in
19 the central valley, and one public hearing in southern California
20 to discuss this proposed list.

21 (2) After the requirements of paragraph (1) are met, the state
22 board shall adopt a final list of projects that will receive funding
23 at a regularly scheduled public hearing.

24 39626.5. (a) A project shall not be funded pursuant to this
25 chapter unless all of the following requirements are met:

26 (1) The project is sponsored by an applicant.

27 (2) The project is in compliance with any comprehensive local
28 or regional plans or strategies to reduce emissions from goods
29 movement activities in its jurisdiction.

30 (3) The applicant has completed, or is capable of completing,
31 all project development work so that the contracts for the project
32 can be awarded no later than ____ of the fiscal year following the
33 year in which the funds are allocated.

34 (b) An applicant receiving funds pursuant to this chapter shall
35 have three fiscal years from the date that the funds are allocated
36 to the applicant to award the contract for implementation of the
37 project. Funds not expended shall revert to the state board.

38 39627. The state board may seek reimbursement for program
39 administration costs annually through an appropriation in the
40 Budget Act.

1 39627.5. *The state board shall submit an annual report to the*
2 *Legislature summarizing its activities related to the administration*
3 *of this chapter with the Governor's proposed budget for next fiscal*
4 *year. The summary shall, at a minimum, include a description of*
5 *projects funded pursuant to this chapter; the amount of funds*
6 *allocated for each project, the location of each project, the status*
7 *of each project, and a quantitative description of the emissions*
8 *reductions achieved through the project or program.*

9 ~~SECTION 1. Section 8879.38 is added to the Government~~
10 ~~Code, to read:~~

11 ~~8879.38. Projects funded in whole or in part from proceeds of~~
12 ~~bonds issued and sold pursuant to this chapter shall meet the~~
13 ~~following requirements:~~

14 ~~(a) Projects shall provide capital purchases or strategies that~~
15 ~~provide benefits that extend beyond the duration of the bonds.~~

16 ~~(b) Projects shall be fully mitigated in terms of their air quality~~
17 ~~and environmental impacts.~~

18 ~~SEC. 2. Section 8879.39 is added to the Government Code, to~~
19 ~~read:~~

20 ~~8879.39. Funding priority for projects from proceeds of bonds~~
21 ~~issued under this chapter shall be given to projects that provide~~
22 ~~the highest benefits compared to the cost. However, this section~~
23 ~~shall not apply to projects that provide increased protection against~~
24 ~~a security and safety threat or projects to develop disaster response~~
25 ~~transportation systems that can move people, goods, and emergency~~
26 ~~personnel and equipment in the aftermath of a disaster impairing~~
27 ~~the mobility of goods, people, and equipment.~~

28 ~~SEC. 3. Section 8879.40 is added to the Government Code, to~~
29 ~~read:~~

30 ~~8879.40. The California Transportation Commission shall~~
31 ~~include in its annual report to the Legislature, required by Section~~
32 ~~14535, a summary of activities related to the administration of~~
33 ~~programs authorized under this chapter. The summary should, at~~
34 ~~a minimum, include a description and the location of the projects~~
35 ~~contained in each program, the amount of funds allocated to each~~
36 ~~project, the status of each project, and a description of the benefits~~
37 ~~the program is achieving. The commission shall also identify timely~~

- 1 ~~and relevant transportation issues facing the State of California~~
- 2 ~~relative to programs authorized under this chapter.~~

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